the date of the enactment of this Act shall continue to receive funds in accordance with the terms of such contract until the date on which the contract period terminates under such terms.

PART C-EDUCATION OF MIGRATORY **CHILDREN**

SEC. 121. STATE ALLOCATIONS.

Section 1303 (20 U.S.C. 6393) is amended—

(1) by amending subsection (a) to read as fol-

'(a) STATE ALLOCATIONS.

"(1) FISCAL YEAR 2002.—For fiscal year 2002, each State (other than the Commonwealth of Puerto Rico) is entitled to receive under this part an amount equal to-

"(A) the sum of the estimated number of migratory children aged three through 21 who reside in the State full time and the full-time equivalent of the estimated number of migratory children aged three through 21 who reside in the State part time, as determined in accordance with subsection (d); multiplied by

"(B) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this paragraph shall not be less than 32 percent, nor more than 48 percent, of the average expenditure per pupil in the United States.

"(2) Subsequent Years.-

"(A) BASE AMOUNT.

- "(i) IN GENERAL.—Except as provided in subsection (b) and clause (ii), each State (other than the Commonwealth of Puerto Rico) is entitled to receive under this part, for fiscal year 2003 and succeeding fiscal years, an amount equal to-
- '(I) the amount that such State received under this part for fiscal year 2002; plus

'(II) the amount allocated to the State under subparagraph (B).

'(ii) NONPARTICIPATING STATES.—In the case of a State (other than the Commonwealth of Puerto Rico) that did not receive any funds for fiscal year 2002 under this part, the State shall receive, for fiscal year 2003 and succeeding fiscal years, an amount equal to-

'(I) the amount that such State would have received under this part for fiscal year 2002 if its application under section 1304 for the year had been approved; plus

"(II) the amount allocated to the State under subparagraph(B).

(B) ALLOCATION OF ADDITIONAL AMOUNT.— For fiscal year 2003 and succeeding fiscal years, the amount (if any) by which the funds appropriated to carry out this part for the year exceed such funds for fiscal year 2002 shall be allocated to a State (other than the Commonwealth of Puerto Rico) so that the State receives an amount equal to—

'(i) the sum of-

"(I) the number of identified eligible migratory children, aged 3 through 21, residing in the State during the previous year; and

"(II) the number of identified eligible migratory children, aged 3 through 21, who received services under this part in summer or intersession programs provided by the State during such year; multiplied by

"(ii) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this clause may not be less than 32 percent, or more than 48 percent, of the average per-pupil expenditure in the United

(2) by amending subsection (b) to read as follows:

"(b) Allocation to Puerto Rico .-

"(1) IN GENERAL.—For each fiscal year, the grant which the Commonwealth of Puerto Rico shall be eligible to receive under this part shall be the amount determined by multiplying the number of children counted under subsection (a)(1)(A) for the Commonwealth of Puerto Rico by the product of-

"(A) the percentage which the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States; and

'(B) 32 percent of the average per pupil expenditure in the United States.

"(2) MINIMUM PERCENTAGE.—The percentage in paragraph (1)(A) shall not be less than-

'(A) for fiscal year 2002, 77.5 percent; "(B) for fiscal year 2003, 80.0 percent:

'(C) for fiscal year 2004, 82.5 percent; and

"(D) for fiscal year 2005 and succeeding fiscal years, 85.0 percent.

"(3) LIMITATION.—If the application of paragraph (2) would result in any of the 50 States or the District of Columbia receiving less under this part than it received under this part for the preceding fiscal year, the percentage in paragraph (1) shall be the greater of the percentage in paragraph (1)(A) or the percentage used for the preceding fiscal year."; and

(3) by striking subsection (d) and redesignating subsection (e) as subsection (d).

SEC. 122. STATE APPLICATIONS: SERVICES

(a) Program Information.—Section 1304(b) (20 U.S.C. 6394(b)) is amended-

(1) in paragraph (1), by striking "addressed through" and all that follows through the semicolon at the end and inserting the following: 'addressed through-

"(A) the full range of services that are available for migratory children from appropriate local. State, and Federal educational programs:

'(B) joint planning among local, State, and Federal educational programs serving migrant children, including programs under part A of title III:

"(C) the integration of services available under this part with services provided by those other programs; and

"(D) measurable program goals and outcomes:": and

(2) in paragraph (5), by striking "the requirements of paragraph (1);" and inserting "the numbers and needs of migratory children, the requirements of subsection (d), and the availability of funds from other Federal, State, and local programs:"

(b) ASSURANCES.—Section 1304(c) (20 U.S.C. 6394(c)) is amended—

(1) in paragraph (1), by striking "1306(b)(1);" and inserting "1306(a);

(2) in paragraph (2), by striking "part F;" and inserting "part H;"

(3) in paragraph (3)-

(A) by striking "appropriate";
(B) by striking "out, to the extent feasible," and inserting "out"; and

(C) by striking "1118;" and inserting "1118, unless extraordinary circumstances make implementation consistent with such section impractical:": and

(4) in paragraph (7), by striking "section 1303(e)" and inserting "paragraphs (1)(A) and (2)(B)(i) of section 1303(a)"

SEC. 123. AUTHORIZED ACTIVITIES.

Section 1306 (20 U.S.C. 6396) is amended to read as follows:

"SEC. 1306. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.

"(1) FLEXIBILITY.—Each State educational agency, through its local educational agencies, shall have the flexibility to determine the activities to be provided with funds made available under this part, except that such funds shall first be used to meet the identified needs of migratory children that result from their migratory lifestyle, and to permit these children to participate effectively in school.

"(2) UNADDRESSED NEEDS.—Funds provided under this part shall be used to address the needs of migratory children that are not addressed by services available from other Federal or non-Federal programs, except that migratory children who are eligible to receive services under part A of this title may receive those services through funds provided under that part, or through funds under this part that remain after the agency addresses the needs described in paragraph (1).

"(b) Construction.—Nothing in this part shall be construed to prohibit a local educational agency from serving migratory children simultaneously with students with similar educational needs in the same educational settings, where appropriate.

"(c) Special Rule.—Notwithstanding section 1114, a school that receives funds under this part shall continue to address the identified needs described in subsection (a)(1)."

SEC. 124. COORDINATION OF MIGRANT EDU-CATION ACTIVITIES.

(a) DURATION.—Section 1308(a)(2) (20 U.S.C. 6398(a)(2)) is amended by striking "subpart" and inserting "subsection"

(b) STUDENT RECORDS.—Section 1308(b) (20 U.S.C. 6398(b)) is amended to read as follows:

"(b) STUDENT RECORDS.-

"(1) ASSISTANCE.—The Secretary shall assist States in developing effective methods for the transfer of student records and in determining the number of migratory children in each State. The Secretary, in consultation with the States, shall determine the minimum data elements that each State receiving funds under this part shall collect and maintain. The Secretary shall assist States to implement a system of linking their student record transfer systems for the purpose of electronic records maintenance and transfer for migrant students.

"(2) NO COST FOR CERTAIN TRANSFERS.—A State educational agency or local educational agency receiving assistance under this part shall make student records available to another State or local educational agency that requests the records at no cost to the requesting agency, if the request is made in order to meet the needs of a migratory child."

(c) AVAILABILITY OF FUNDS.—Section 1308(c) (20 U.S.C. 6398(c)) is amended by striking "\$6,000,000" and inserting "\$10,000,000".
(d) INCENTIVE GRANTS.—Section 1308(d) (20

U.S.C. 6398(d)) is amended to read as follows:

"(d) INCENTIVE GRANTS.—From the amounts made available to carry out this section for any fiscal year, the Secretary may reserve not more than \$3,000,000 to award grants of not more than \$250,000 on a competitive basis to State educational agencies that propose a consortium arrangement with another State or other appropriate entity that the Secretary determines, pursuant to criteria that the Secretary shall establish, will improve the delivery of services to migratory children whose education is inter-rupted.".

PART D-NEGLECTED OR DELINQUENT YOUTH

SEC. 131. NEGLECTED OR DELINQUENT YOUTH.

The heading for part D of title I is amended to read as follows:

"PART D-PREVENTION AND INTERVEN-TION PROGRAMS FOR NEGLECTED OR DELINQUENT CHILDREN AND YOUTH".

SEC. 132. FINDINGS.

Section 1401(a) (20 U.S.C. 6421(a)) is amended by striking paragraphs (6) through (9) and inserting the following:

"(6) Youth returning from correctional facilities need to be involved in programs that provide them with high-level skills and other support to help them stay in school and complete their education.

"(7) Pregnant and parenting teenagers are a high-at-risk group for dropping out of school and should be targeted by dropout prevention programs."

SEC. 133. ALLOCATION OF FUNDS.

Section 1412(b) (20 U.S.C. 6432(b)) is amended to read as follows:

"(b) SUBGRANTS TO STATE AGENCIES IN PUER-TO RICO.

"(1) IN GENERAL.—For each fiscal year, the amount of the subgrant which a State agency in the Commonwealth of Puerto Rico shall be eligible to receive under this part shall be the amount determined by multiplying the number